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The House on Tuesday passed by voice vote a bill aimed at protecting the funding stream for legal aid services for the disadvantaged.

According to Lloyd Doggett, D-Texas, interest on accounts established by an attorney or law firm on behalf of a client, commonly called Interest on Lawyer Trust Accounts, have been used for decades as a key funding source for legal services for the disadvantaged in all 50 states.

"It is these interest-bearing trust accounts that currently finance legal services for those who need it most -- veterans who have served honorably, domestic violence victims and persons with disabilities," Doggett said.

The funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) through Dec. 31. But the financial services overhaul law (PL 111-203) enacted earlier this year, which requires the FDIC to provide separate, unlimited deposit insurance for all non-interest-bearing transaction accounts until Jan. 1, 2013, would no longer include those accounts under the agency's protection.

The House passed an amended version of Doggett's bill (HR 6398) on Tuesday. The bill would modify the financial overhaul law to include those accounts in FDIC insurance protection. Doggett said the FDIC guarantee would ensure that small, independent banks are on a level playing field with larger competitors in securing trust fund deposits.

Judy Biggert, R-Ill., noted that if the FDIC's guarantee was allowed to lapse, attorneys in as many as 37 states might be forced to transfer those interest accounts from community banks to larger, safer institutions.

"If the coverage for these accounts is not extended, a critical source of civil, legal . . . aid might

unnecessarily and inappropriately shrink," Biggert said.

Biggert, citing the Congressional Budget Office, said that the bill would cost \$15 million over five years, but would raise \$2 million over a 10-year period.

Doggett said he hoped the Senate would pass the bill without attaching any extraneous provisions that could potentially hold up its enactment.

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